



ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು
ವಿಶೇಷ ರಾಜ್ಯ ಪತ್ರಿಕೆ

ಭಾಗ - ೪ಎ Part - IVA	ಬೆಂಗಳೂರು, ಶನಿವಾರ, ೨೦, ಜುಲೈ, ೨೦೨೪(ಆಷಾಢ, ೨೯, ಶಕವರ್ಷ, ೧೯೪೬) BENGALURU, SATURDAY, 20, JULY, 2024(ASHADHA, 29, SHAKAVARSHA, 1946)	ನಂ. ೩೪೭ No. 347
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GOVERNMENT OF KARNATAKA

No.UDD 280 BBS 2023 (E)

Karnataka Government Secretariat,
Vikasa soudha,
Bengaluru, Date:20-07-2024.

NOTIFICATION

The draft of the Bruhat Bengaluru Mahanagara Palike (Estate Management) Rules, 2024, which the Government of Karnataka proposes to make in exercise of the powers conferred by section 316 read with sections 66, 67 and 130 of the Bruhat Bengaluru Mahanagara Palike Act, 2020 (Karnataka Act 53 of 2020) is published as required by sub-section (1) of section 316 of the said Act, for the information of all the persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration after the expiry of thirty days from the date of its publication in the official Gazette.

Any objection or suggestion which may be received by the State Government from any person with respect to the said draft before the expiry of the period specified above will be considered by the State Government. Objections and suggestions may be addressed to the Additional Chief Secretary to Government, Urban Development Department, Vikasa Soudha, Bengaluru - 560001.

DRAFT RULES

1. Title, commencement and application.-(1) These rules may be called the Bruhat Bengaluru Mahanagara Palike (Estate Management) Rules, 2024.

(2) They shall come into force from the date of their final publication in the official Gazette.

(3) These rules shall be applicable for the purposes of estate management under Chapter XI of the Bruhat Bengaluru Mahanagara Palike Act, 2020.

2. Definitions.-(1) In these rules, unless the context otherwise requires,-

(a) “Act” means the Bruhat Bengaluru Mahanagara Palike Act, 2020 (Karnataka Act 53 of 2020);

(b) “Estate of BBMP” means the immovable properties under the ownership, control and management of the Bruhat Bengaluru Mahanagara Palike;

(2) All other words and expressions used herein but not defined shall have the same meaning as assigned to them in the Act.

3. Management of the estate.- (1) The Estate Department of the Bruhat Bengaluru Mahanagara Palike shall be responsible for implementation of these rules under overall superintendence, direction and control of the Chief Commissioner, subject to the provisions of the Act and other applicable laws for time being in force. The Zonal Commissioners shall be responsible for implementation and obedience of these rules at Zonal level.

(2) Only such estate of the Bruhat Bengaluru Mahanagara Palike, either land or building or both, which is neither at present needed for own or public use by the Bruhat Bengaluru Mahanagara Palike, nor such a use is visualised, may be sold or leased by the Bruhat Bengaluru Mahanagara Palike.

(3) Every sale or lease by the Bruhat Bengaluru Mahanagara Palike shall be by public auction, subject to exceptions provided in these rules.

4. List of immovable properties.- (1) The list of immovable properties of the Bruhat Bengaluru Mahanagara Palike shall be maintained by the Chief Commissioner through Estate Department of the Bruhat Bengaluru Mahanagara Palike.

(2) A copy of the same shall be maintained by the Zonal Commissioners for the immovable properties in their respective Zones. The same shall be updated as per provisions of the Act by the Zonal Commissioners and conveyed to the Chief Commissioner for his approval.

5. Sale of immovable properties.-(1)The sale of immovable properties of the Bruhat Bengaluru Mahanagara Palike shall be only to the departments of the State or the Central Government or Public Sector Undertakings or organizations or bodies owned by the State or Central Government and not to anyone else and with prior sanction of the Government.

(2) The sale shall be at the guidance value of the property as per the notification issued by the Revenue Department, from time to time, under section 45B of the Karnataka Stamp Act, 1957 (Karnataka Act 34 of 1957):

Provided that the State Government reserves the right to give rebate on the same either partially or fully in public interest.

6. Lease of immovable properties.-(1) The Chief Commissioner may lease immovable properties of the Bruhat Bengaluru Mahanagara Palike for a term not exceeding five years with the previous sanction of the concerned Standing Committee. The sanction may be accorded by the Standing Committee as a class or group or all the properties of the Bruhat Bengaluru Mahanagara Palike as may be deemed proper.

(2) The Chief Commissioner may lease immovable properties of the Bruhat Bengaluru Mahanagara Palike for a term for more than five years but not exceeding fifteen years, with the previous sanction of the Council. The sanction may be accorded by the Council as a class or group or all the properties of the Bruhat Bengaluru Mahanagara Palike as may be deemed proper.

(3) The Chief Commissioner may lease immovable properties of the Bruhat Bengaluru Mahanagara Palike for a term for more than fifteen years but not exceeding thirty years, only with the prior approval of the Government.

(4) No lease beyond a term of thirty years shall be given for the immovable properties of the Bruhat Bengaluru Mahanagara Palike:

(5) One extension of a lease which may have been given under any mode hereinbefore, may be given for another term not exceeding the term or

period of the last lease or the last extended lease, as the case may be. The authority to approve the extension shall be same as prescribed under these Rules for a fresh lease for the same term or period.

Provided that in case of properties whose lease has already expired but the lessee continues to be in possession without any extension then extension under these Rules may be given from the date of Notification of these Rules for a term not exceeding the term-period of the last valid lease or the last extended lease. The unauthorized occupation period until the date of notification of these Rules may be regularized on same terms & conditions as for the expired lease.

Provided further that no extension shall be given unless the lessee has paid all, complete and up-to-date dues of the BBMP.

Examples:

(i) An immovable property is leased to A for a term of five years and is nearing expiry, then A can obtain an extension for one more term of five years.

(ii) An immovable property leased to B for a term of twelve years but the same got expired and was given an extension of 3 terms. Now, B is eligible for one more extension for three years.

(iii) An immovable property leased to C for a term of seven years but the same got expired and C continued without extension unauthorizedly. Now, B is eligible for one more extension for seven years from the date of notification of these Rules.

(6) In case a present on-going lease has a term period more than thirty years then, with prior permission of the Government, the Bruhat Bengaluru Mahanagara Palike may give another renewal of the lease for a term period not exceeding thirty years.

(7) At the end of the lease term or extended lease term, if any, the immovable property shall stand automatically vested back to the Bruhat Bengaluru Mahanagara Palike, free of all encumbrances.

(8) The lease of immovable properties of the Bruhat Bengaluru Mahanagara Palike may be given at the minimum reserved One Time Deposit (OTD) only to/for,-

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- (i) The State Government;
 - (ii) The Central Government;
 - (iii) Non-profit Homes for the old or destitute or differently-abled persons;
 - (iv) Religious purposes/mathas and Not-for-Profit organizations for education and health purposes; and
 - (v) Such other category or class of persons as the Bruhat Bengaluru Mahanagara Palike may decide with prior approval of the Government.

Provided that the State Government reserves the right to give rebate on the applicable interest free One Time Deposit (OTD) as well as the applicable monthly rent or lease amount either partially or fully in public interest.

(9) In case of extension of a lease under these Rules, the Lessee shall be required to deposit the minimum reserved One Time Deposit to the BBMP as interest free deposit to obtain the extension.

(10) In every other case the lease of the immovable properties of the Bruhat Bengaluru Mahanagara Palike shall be given based on the public auction of the interest free deposit that the bid winner shall keep with the BBMP and the monthly rent payable by the lessee shall be subject to yearly increase at the rate of 5% per annum from the date of signing of the agreement of the lease or the date of Notification of these Rules – whichever is later. Provided that any existing and subsisting leases shall continue to be operate as per terms & conditions of the existing agreements and the same are saved.

(11) Any unauthorized occupation of the immovable property of the Bruhat Bengaluru Mahanagara Palike shall be evicted as per provisions of the Karnataka Public Premises (Eviction of Unauthorized Occupants) Act, 1974.

7. Public auction for grant of lease of immovable properties.- (1)
The Zonal Commissioners may cause to put to public auction the immovable properties.

(2) The public auction shall be on the interest free One Time Deposit (OTD) that the auction winner shall keep with the Bruhat Bengaluru Mahanagara Palike throughout the period of the lease.

(3) The One Time Deposit (OTD) is refundable to the lessee, without any interest, after the vacation of the property upon completion of the lease term or upon the termination of lease as per the provisions of the Act, rules and the lease agreement:

Provided that the One Time Deposit (OTD) shall not be refunded for a period of one year from the date of signing of the agreement of the lease.

(4) A single eligible bidder can bid for as many immovable properties as he wishes.

(5) Sub-letting of the immovable property by the lessee shall not be permitted.

(6) There shall be a minimum reserved One Time Deposit (OTD) for each immovable property, called the Auction Upset Price, below which the auction shall not be approved.

(7) The auction upset price or the minimum reserved One Time Deposit (OTD) for each estate/property of the Bruhat Bengaluru Mahanagara Palike according to section 45B of the Karnataka Stamp Act, 1957 (Karnataka Act 34 of 1957) shall be as follows.-

(a) Lease term not exceeding five years: Not less than 5% (Five percent) of Guideline Value of the property being leased out.

(b) Lease term from five to fifteen years: Not less than 7.5% (Seven and Half percent) of Guideline Value of the property being leased out.

(c) Lease term from fifteen to thirty years: Not less than 10% (Ten percent) of Guideline Value of the property being leased out.

(8) The Guideline Value shall take into consideration the value of both land and the building while determining the above minimum reserved One Time Deposit (OTD). The basic formula for the minimum reserved One Time Deposit (OTD) shall be the Guidance Value multiplied by Plinth and/or plot Area of the property being leased out.

(9) The auction shall be done for each individual immovable property capable being leased out and the bidder who bids the highest One Time Deposit (OTD) shall be the auction winner.

(10) The auction winner shall deposit ten percent of the winning One Time Deposit (OTD) amount on the spot with the Bruhat Bengaluru Mahanagara Palike, within two hours of the bid being declared successful, failing which the bid shall be rejected for default and the bidder shall be treated as defaulter and disallowed from further bidding. The immovable property shall be put to auction again.

(11) The remaining ninety percent of the winning One Time Deposit (OTD) amount shall be deposited within fifteen days from the date of declaration of auction as successful, failing which the bid shall stand rejected for default and the bidder shall be treated as a defaulter and the ten percent bid amount deposited with the Bruhat Bengaluru Mahanagara Palike shall automatically stand forfeited, without any encumbrance on the property, to the Bruhat Bengaluru Mahanagara Palike for the default. Such a defaulting bidder shall be barred from bidding for a period of one year from the date of forfeiture of the ten percent deposit amount.

(12) The monthly rental or the monthly lease payable for the immovable property shall be as follows –

(A) Buildings or Shopping complexes other than centrally air-conditioned:

- (a) Street Facing Properties on the Ground Floor at 0.5% (half percent) of the of the Guideline value of the estate/property being leased as per the latest notification issued by the Revenue Department under section 45 of the Karnataka Stamp Act, 1957(Karnataka Act 34 of 1957).
- (b) Properties facing the street but on basement at 90% of the amount payable for the Street Facing Properties on the Ground Floor.
- (c) Properties not facing the street but on the ground floor at 90% of the amount payable for the Street Facing Properties on the Ground Floor.
- (d) Properties on the first floor at 75% of the amount payable for the Street Facing Properties on the Ground Floor.

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- (e) Properties on the second floor at 65% of the amount payable for the Street Facing Properties on the Ground Floor.
 - (f) Properties on the third or higher floor at 55% of the amount payable for the Street Facing Properties on the Ground Floor.

(B) Buildings or Shopping complexes which are centrally air-conditioned:

- (a) Properties on the Ground Floor at 0.5% (half percent) of the of the Guideline value of the estate/property being leased as per the notification issued by the Revenue Department from time to time under section 45B of the Karnataka Stamp Act, 1957(Karnataka Act 34 of 1957).
- (b) Properties on basement at 90% of the amount payable for the Properties on the Ground Floor.
- (c) Properties on the first floor at 90% of the amount payable for the Properties on the Ground Floor.
- (d) Properties on the second floor at 75% of the amount payable for the Properties on the Ground Floor.
- (e) Properties on the third or higher floor at 65% of the amount payable for the Properties on the Ground Floor.

(C) Open or vacant lands shall be liable to pay monthly rental or monthly lease amount equal to 0.3% of the Guideline Value of the land as per the notification issued by the Revenue Department from time to time under section 45B of the Karnataka Stamp Act, 1957(Karnataka Act 34 of 1957).

(D) In case of extension of an existing lease or an expired lease under these Rules, the lessee shall pay the monthly rent or monthly lease amount equal to 115% of the last monthly rent or lease amount payable by him in the previous lease or the monthly rent/lease amount payable as per applicable Clauses (A) or (B) or (C) – whichever is lower.

Provided that such a monthly rent or lease amount is liable to increase at a rate of 5% per annum from the date of the extension of the lease.

(13) The auction shall be in compliance with the Karnataka Transparency in Public Procurement Act, 1999 (Karnataka Act 19 of 2000) and the rules made thereunder. The auction could be either physical one or on-line through e-Procurement Portal of the Government and the decision in this regard shall be by the Chief Commissioner.

(14) The advertisement for auction shall contain details such as type of auction (online/physical), auction venue (if applicable), application fee, immovable property and minimum auction upset price, contact details of the auction nodal officer and be issued at least fifteen days in advance from the date of auction and published in at least one English and one Kannada newspaper with wide circulation in Bengaluru and Karnataka. Additionally, the copies thereof shall be pasted in the Notice Board of the Zonal Office and sent to all other Zonal Offices and all the offices of the Revenue officer and Assistant Revenue officer for display in their respective office notice boards. The advertisement shall also be put on the website of the Bruhat Bengaluru Mahanagara Palike.

(15) Any person eligible to participate in the auction can participate in the auction by applying and obtaining an application number by payment of non-refundable application fee of Rupees One Thousand. The application fee for the members of the Scheduled Caste and the Scheduled Tribe shall be Rupees Seven Hundred and Fifty.

(16) The final auction winner shall be notified in terms of the application number and name and other details of the applicant.

(17) The Zonal Commissioner shall make detailed proceedings of the auction with the name and all relevant details of the auction winners for each immovable property and submit to the Chief Commissioner for approval and the specified agreement as per type of use and category of the immovable property, shall be entered into with the auction winner accordingly, after the approval.

8. Procedure for renewal of an expiring lease.- (1) The lessee gets no inherent right beyond the term of his lease and the policy to extend an existing lease is at the sole discretion of the BBMP and the extension may not be given in case the property or land is needed for BBMP's own use or any other public purpose.

(2) The Bruhat Bengaluru Mahanagara Palike may choose to proceed to lease the property as it exists or after demolition (in part or in full) and reconstruction. The existing lessee shall give in writing his option to seek one extension, without going through auction process, at any time at least 2 months before expiry of his on-going lease or, in case of an expired lease, within 6 months of the date of Notification of these Rules. Failure to give option in writing within the prescribed time limits shall be treated that the

existing lessee does not wish to opt for extension of his/her lease without auction process and the property shall be auctioned free from all encumbrances. In case the present lessee with an existing lease chooses to apply for another lease of a term equal to term of the existing lease then the existing lease should be short-closed on the date from which the extended lease term starts.

Illustrations

Illustration 1:

- “A” has a lease of a shop for 5 years starting from 1.4.2020 and is in its 4th year in 2024.
- A’s lease ends on 31.3.2025.
- At anytime on or before 31.1.2025 – which is 2-months before the date of expiry of the current lease, “A” can seek extension of the lease upto another 5 years term (which is the tenure of his existing lease) for the shop from the BBMP.
- Let us say he seeks extension on 10.6.2024 for another term of 5-years.
- Let us say that the BBMP grants extension for 5-years term on 15.7.2024. Then the present lease shall automatically deemed to have been short-closed on 14.7.2024 and a extension lease for 5-years shall be with effect from 15.7.2024 until 14.7.2029.
- No further extension shall be given to the extended lease after 14.7.2029 but “A” is eligible to participate in the open tender or auction as per KTPP Act to win rights for another lease or renting of the same or any other BBMP property/shop.

Illustration 2:

- “A” had a lease of a shop for 3 years starting from 1.4.2018 and it expired on 31.3.2021. But “A” continued to be occupation without getting any extension of his lease.
- “A” continues to be in occupation even now and is actually running the business for which the lease was given.
- “A” is in unauthorized occupation of the shop and has not paid the rents in these years.
- “A” is eligible to apply for ONE EXTENSION of the expired lease within 3-months of promulgation of these Rules.
- “A” shall pay upto date rent and interest and penalties (if any) and only then “A” shall be eligible to be considered for ONE EXTENSION.

- “A” gives all his rent and interest for previous arrears and brings his rent and other dues payment to the BBMP uptodate.
- Now, “A” is eligible for one extension of 3-YEARS TERM (same as the last validly held lease term) with effect from issuance of extension order by the BBMP.
- The intervening period of unauthorized occupation shall be regularized upon payment of all and complete dues uptodate and when the order extending the lease for 3-years is passed.
- In case the extension order is issued on 19.7.2024 for 3 years then the same shall be valid until 18.7.2027.
- No further extension shall be given to the extended lease after 18.7.2027 but “A” is eligible to participate in the open tender or auction as per KTPP Act to win rights for another lease or renting of the same or any other BBMP property/shop.

(3) In case the Bruhat Bengaluru Mahanagara Palike decides to lease the properties as they exist, then Zonal Commissioner shall start the process of re-auction following the procedure under rule 7, at least three months in advance from the date of expiry of the lease, so as to complete the process of selection of the new lessee before the expiry of the existing lease term, for such shops for which the existing lessee does not opt to get one extension of the lease. In case of plan of reconstruction, the auction of the new property may be done at any suitable time after the vacation and demolition.

(4) In case the existing Lessee opts for participation in the open auction then the regular procedure as applicable for a fresh lease and auction shall be applicable. However, in case an existing lessee opts for one extension, then the Lessee shall deposit One Time deposit (OTD) equal to 100% of the minimum prescribed One Time Deposit (OTD) for such a property. The Lessee shall deposit 100% of the Minimum OTD amount within fifteen days of approval of the extension by the Bruhat Bengaluru Mahanagara Palike.

(5) In case of failure to deposit, the approval of extension shall stand automatically withdrawn for default and the Lessee shall be treated as defaulter and the property shall be put to open auction and the lessee shall lose the right to get extension. However, such a lessee is eligible for bidding or participation in open auction.

9. Failure to lease out properties during the open auction.-(1) In case of failure to get any successful bid for any property during an auction, the auction for such properties shall be done for second time with due notice and publicity with same terms and conditions as specified for the first open auction.

(2) In case of failure to get any successful bid for any property during the second auction as well, the auction shall be done for third time with due notice and publicity and the minimum refundable One Time Deposit (OTD) amount or the auction upset price shall be made 90% of the auction upset price for the concerned property during the first open auction.

(3) In case of failure to get any successful bid for any property during the third auction as well, the auction shall be done fourth time with due notice and publicity and the minimum refundable One time deposit (OTD) amount or the Auction Upset Price shall be made 80% of the Auction Upset Price for the concerned property during the first open auction.

(4) However, in case of failure of auction even in the fourth time auction, the matter shall be reported to Chief Commissioner with details and the further decision shall be taken by the Chief Commissioner.

10. Reservation.-(1) In case of leasing out of shops under these rules, 17% of the same shall be reserved for the members of the Scheduled Caste and 7% for the members of the Scheduled Tribe. The allotment shall be through an open auction under these rules among the said category of persons who are otherwise eligible.

(2) A reservation of 2% of the shops being leased out under these rules shall be made for the persons with disability of not less than 40%. The same shall be through an open auction under these rules among the said category of persons who are otherwise eligible.

By Order and in the name of the
Governor of Karnataka
(H.S.SHIVAKUMAR)
Under Secretary to Government,
Urban Development Department
(BBMP-2 and Coordination).